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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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Dear Mr. Weinberger:

During the past several months the General Accounting Office (GAO) has conducted a survey of the progress and trend of development of Federal agencies' using computer-output microfilm (COM) to increase the effectiveness of computer operations. COM systems are a relatively new automatic data processing (ADP) technique which converts machine-readable data into human-readable data by using microfilm technology.

The merger of ADP equipment with microfilm equipment offers distinct opportunities for savings in

- computer time from high-speed output;
- retrieval time;
- reproduction cost; and
- handling, distribution, and storage operations.

Early results of our COM survey show that it costs about one-tenth as much to produce computer-output data on microfilm as it does to produce data on paper. Although we have not attempted to project this rate of savings over the entire Federal Government, the potential impact is obvious. In the Norfolk, Virginia, area we estimate that within a year \$500,000 could be saved in production costs alone, if only 30 percent of the computer output of six activities were put on microfilm.

Other savings include better utilization of existing computers. For example, one activity released an IBM 360/30 system after a COM device had been installed. In addition, where COM is used instead of paper, significant savings can be expected from increased productivity of the Government's work force. When a naval supply unit converted one report from paper to film, it estimated that retrieval time was reduced from 2,500 to 830 man-hours in a 1-month period.

The use of COM techniques and systems is expanding very rapidly, and today it may be paralleling the same conditions and problems that marked the early introduction of ADP systems into the Federal Government. Federal activities have

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adopted a wide variety of microfilm sizes, formats, and image reduction ratios. Although some common trends have appeared, the general lack of standardization unnecessarily complicates the interchange of data and equipment as well as the procurement, support, and training involved in a multiplicity of systems.

COM devices can handle remarkable volumes of material; therefore, few activities can expect to keep COM equipment fully utilized. We found significant underutilization of COM devices; yet acquisition of more devices is continuing even though equipment sharing might often be possible.

The results of our survey lead us to believe that it might be desirable to bring under central control the Federal Government acquisitions of COM systems--not merely because of the potential cost of unnecessary proliferation and duplication of activities but also because of the great impact this information technology could have on the productivity of the Government work force. Without guidance, agencies acting independently might not choose the arrangement which would most benefit the Government as a whole. Moreover, sharing might be inhibited by technical incompatibility of systems, manpower ceilings, and agency reluctance to be dependent on outside sources.

It is apparent that the Government can make better use of COM technology by making COM services available to Federal activities through the establishment of COM service centers in areas having a large number of Government-operated computer systems. Not only would economies be realized from more efficient use of the equipment, but benefits should flow from the experience and expertise which the center could make available.

As you know, on October 30, 1965, the Congress enacted the Brooks bill (Public Law 89-306) which provides the General Services Administration (GSA) with exclusive authority for procuring all general-purpose ADP equipment for use by Federal departments and agencies. This law, however, reserves to the individual agency the right to determine ADP requirements, to develop specifications for computers, to select specific types and computer configurations for fulfilling its data processing needs, and to determine the use of the subject computer systems. The Department of Commerce, through the National Bureau of Standards (NBS), is required by the law to provide GSA and other agencies, upon request, with technical advisory services pertaining to ADP and related

systems. Additionally, the Brooks bill assigned the Office of Management and Budget (OMB) the responsibility for exercising fiscal and policy control over GSA and NBS in implementing their respective responsibilities set forth in the law.

We suggest that the executive branch, OMB, GSA, and the Federal agencies in the Norfolk area join with GAO in a study to determine efficient and effective methods for acquiring and using the new COM technology. As part of this effort, we suggest the establishment of a pilot COM service center in the Norfolk area. The results of this study could be used to appraise the feasibility of establishing service centers in other areas which have extensive computer facilities. We have held preliminary discussions on these matters with members of your staff and with representatives of GSA. We shall appreciate your designating a liaison representative to work with our staff for the purpose of developing a plan to evaluate the COM service center concept.

We are looking forward to your cooperation and support in this effort, and we solicit your ideas, comments, or suggestions.

We are furnishing copies of this letter to the Administrator of General Services and to the Secretary of Defense because of the significant effect COM equipment is expected to have on the computer-output systems of many defense activities.

Sincerely yours,

Comptroller General
of the United States

The Honorable Caspar W. Weinberger
Director, Office of Management
and Budget